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PLEASE REPLY TO NEW HAVEN

**JOHN F. BUCKLEY, JR.
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JOHN M. PARESE

March 4, 2011

**Senator Gayle S. Slossberg
Representative Russell A. Morin
Government Administrations and Elections Committee
Room 2200, Legislative Office Building
Hartford, CT 06106**

Re: SB-44

An Act Concerning Election of the Insurance Commissioner

Dear Senator Slossberg, Representative Morin and Members of the Committee:

I am an attorney and serve as legal counsel to the Auto Body Association of Connecticut (ABAC). I write in support of Senate Bill 44. In my capacity as an attorney and as a representative of the ABAC, I have engaged extensively with the Department of Insurance and its Commissioner. In October 2010, the ABAC joined with Citizens for Economic Opportunity, the American Federation of State, County and Municipal Employees, the Service Employees International Union, AFL-CIO, the United Auto Workers and others in calling for Commissioner Thomas Sullivan's removal from office. We sought the Commissioner's removal because he was refusing to enforce insurance laws at the expense of the motoring public and consumer rights and safety. We also criticized the Department and Commissioner Sullivan for failing to appropriately scrutinize and investigate insurer misconduct in the settling of collision repair claims.

The broader problem with the Department of Insurance, however, is the way Commissioners are appointed, and ultimately to whom they are beholden. Historically, our commissioners have been picked out of the insurance industry, asked to police their former colleagues in the insurance industry, and then permitted to solicit employment within that very same industry immediately after leaving office. This is all done outside of the light of public scrutiny. This is an inherent conflict of interest that is only made worse by the lack of public accountability.

In the auto body repair context, the Department of Insurance seemingly went out of its way to insulate insurers from meaningful oversight and legal enforcement. Protecting insurers came at the direct expense of small business owners and consumer safety and welfare. This was a tone set by the Commissioner.

On countless occasions, the ABAC petitioned the Department of Insurance to help protect consumers. Time and time again, the Department turned a blind eye to insurer misconduct; instead choosing to protect insurers at the expense of consumer rights and safety. Each and every request for oversight and legal enforcement was ignored or disregarded, including those coming directly from Attorney General Blumenthal. What is worse, the tone of the Department's responses often stung of sarcasm and apathy.

It is our position that if the Commissioner were beholden to genuine public scrutiny, he or she might think twice about bending the rules to protect insurer profits; that he or she might be more likely to institute policies and enforce laws that genuinely promote the better interest of our citizens; and that he or she might think twice about conspiring with the insurance industry to artificially suppress the labor rates of repair work or artificially inflate insurance premiums in the health and casualty markets.

Thank you for your work on this bill. If you have any questions or concerns or require anything further from me, please feel free to call me.

Very truly yours,


John M. Parese

JMP/efk

c: Robert Skrip (ABAC President)